

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 OMB-01 EB-08 TRSE-00 COME-00 XMB-02 /079 W
-----220741 126442 /20

R 201415Z FEB 77
FM AMEMBASSY SANA
TO SECSTATE WASHDC 0477
INFO AMEMBASSY AMMAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MUSCAT

C O N F I D E N T I A L SANA 0729

E.O. 11652 GDS
TAGS: PFOR, YE
SUBJ: YARG PRIME MINISTER DISCUSSES YEMEN'S FUTURE

SUMMARY: IN TOUR D'HORIZON WITH AMBASSADOR, YARG PRIME MINISTER SAID GOVERNMENT HAS BENEFITTED ENORMOUSLY FROM ATMOSPHERE OF STABILITY; WILL STRESS INDUSTRIALIZATION IN COMING FIVE-YEAR PLAN (PARTICULARLY MINERALS); AND WILL CONTINUE TO EMPHASIZE TRAINING, WITH HOPE OF FURTHER U.S. ASSISTANCE. END SUMMARY.

1. IN FEBRUARY 17 CALL BY AMBASSADOR (EMBASSY ECONOFF ALSO PRESENT) ON PRIME MINISTER ABD AL-AZIZ ABD AL-GHANI, AMBASSADOR CONGRATULATED PRIME MINISTER ON SUCCESSFUL TWO-YEARTENURE IN OFFICE. PM RESPONDED GRACIOUSLY AND NOTED THAT BASIS FOR WHATEVER SUCCESS HE HAD ENJOYED WAS UNIFIED GOVERNMENT YEMEN NOW HAD. YARG NOW ABLE (IN ONCTRAST TO EARLIER REGIMES) TO GIVE RETIONAL CONSIDERATION TO VARIOUS PROBLEMS AND TAKE STEPS TO SOLUTION. ADDITIONALLY, THE EVIDENT STABILITY GENERATED NEW CONFIDENCE IN THE
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PEOPLE--A CONFIDENCE BEST OBSERVED IN THE FLOOD OF REMITANCE MONEY RETURNING FROM EX-PATRIATE WORKERS. MOST OF THIS MONEY, ABD AL-GHANI NOTED, WAS RETURNED DIRECTLY TO THE FAMILIES RATHER THAN THROUGH A THIRD PARTY AS WAS PREVIOUSLY THE CASE.

2. PRIME MINISTER CONTINUED THAT YARG BEGINNING TO

FINALIZE SCOPE OF FIVE-YEAR PLAN WHICH WILL PUT GREATEST STRESS ON INDUSTRIALIZATION. SPECIFICALLY, PM SAID, GOVERNMENT WILL TAKE HARD LOOK AT PROSPECTS FOR MINERAL EXPLOITATION, AND WILL ATTEMPT QUICKLY TO DETERMINE WHETHER A FEW PROMISING SITES ARE WORTH INVESTMENT.

3. ABD AL-GHANI ALSO EXPRESSED HOPE YARG COULD CONTINUE TO STRENGTHEN ITSELF, PARTICULARLY IN FISCAL REALM. HE BELIEVES GOVERNMENT HAS MADE PROGRESS IN TAX COLLECTION ABILITY AND THINKS THIS WILL CONTINUE WITHOUT NECESSITY OF IMPOSITION OF ADDITIONAL TAXES. HE INDICATED YARG WILL STRIVE TO IMPLEMENT IMF RECOMMENDATION THAT GOVERNMENT CONTRIBUTION TO INCREASE IN MONEY SUPPLY BE REDUCED TO 3 PER CENT OR LESS OVER NEXT TWO FISCAL YEARS. THIS WILL DEPEND TO LARGE EXTENT ON GENERAL INFLATION RATE, SINCE GOVERNMENT SALARIES ARE NOT VERY HIGH NOW, AND GOVERNMENT PROJECTS WHICH ARE ALREADY LAUNCHED CANNOT BE CUT BACK.

4. THE PRIME MINISTER AGREED WITH AMBASSADOR'S STATEMENT THAT TRAINING AND GENERAL EDUCATION IS KEY TO YEMEN'S DEVELOPMENT. HE ACKNOWLEDGED NEED TO OBTAIN MORE SCHOLARSHIPS FOR BOTH GRADUATE AND UNDERGRADUATE STUDY BUT EXPRESSED GRATITUDE FOR U.S. ASSISTANCE IN THIS FIELD AND HOPED IT WOULD EXPAND IN THE FUTURE.

5. PM APPEARED SANGUINE ABOUT FUTURE, HE SAID HE THINKS YEMENIS WILL CONTINUE TO FUEL THEIR COUNTRY'S DEVELOPMENT WITH HARD CURRENCY REMITTANCES FROM ABROAD, AND HE INDICATED HIS CONFIDENCE THAT OIL RICH ARAB STATES

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WILL CONTINUE AND/OR INCREASE THEIR DONATIONS TO THE YEMEN. SCOTES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, INDUSTRIAL DEVELOPMENT, PERSONNEL TRAINING, DIPLOMATIC DISCUSSIONS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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